



FILED

11/16/18
04:59 PM

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Consider New
Approaches to Disconnections and Reconnections to
Improve Energy Access and Contain Costs.

Rulemaking 18-07-005
(Filed July 12, 2018)

**OPENING COMMENTS OF CALIFORNIA DEPARTMENT OF COMMUNITY SERVICES
AND DEVELOPMENT TO PROPOSED DECISION**

Dated: November 16, 2018

David Scribner
Chief Counsel

Department of Community Services and Development
2389 Gateway Oaks Drive, Suite 100
Sacramento, CA 95833
Office Tel. (916) 576-4383
Email: David.Scribner@csd.ca.gov

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Consider New
Approaches to Disconnections and Reconnections to
Improve Energy Access and Contain Costs.

Rulemaking 18-07-005
(Filed July 12, 2018)

**OPENING COMMENTS OF THE DEPARTMENT OF COMMUNITY SERVICES AND
DEVELOPMENT ON PROPOSED DECISION 18-07-005**

Pursuant to Rule 14.3 of the California Public Utilities Commission (“Commission”) Rules of Practice and Procedure, the Department of Community Services and Development (“CSD”) hereby submits its comments on the Proposed Decision, captioned above, adopting interim rules to reduce residential customer disconnections.

I. INTRODUCTION

The PD addresses matters of particular interest and relevance to CSD, specifically: (1) the reduction of residential customer disconnections and the improvement of the reconnection process; (2) capping disconnections of California-jurisdictional investor owned energy utilities (“IOUs”) to 2017 levels as a percentage of current customers; (3) disallowing disconnections for nonpayment to residential customers if they qualify for medical baseline and/or are over 65 years of age and agree to a payment plan; and (4) disallowing disconnections for certain weather-related events.

CSD’s Low Income Home Energy Assistance Program (“LIHEAP”) provides an array of services specifically designed to helping low-income families better manage the financial burdens of home energy costs and overcome energy-crisis and emergency situations. Services

include financial assistance (in paying home energy bills), improving the energy-efficiency of homes through weatherization and energy-related home repair services, and emergency services to ensure ongoing access to home energy and repairs to appliances to ensure the health and safety of household members. These LIHEAP grant funds are limited and only serve approximately 6% of eligible households. Services are targeted to households with the highest energy burdens, lowest income, and that contain member of vulnerable populations including elderly, disabled, and families with children.

LIHEAP services are administered locally through a statewide network of private non-profit and local government organizations, also referred to as Local Service Providers (“LSPs”). LSPs are responsible for providing outreach, intake, and delivery of LIHEAP service provisions. Through LIHEAP, the Department works with the LSPs to facilitate the delivery of effective and timely services to low-income families experiencing an energy-crisis and where service outcomes results in further limiting the disconnection of low-income energy customers. In addition, CSD has established agreements with many statewide utility companies (including all IOUs) for accepting direct payment of LIHEAP financial assistance benefits (both emergency and non-emergency), acceptance of payment pledges from LSPs to ensure compliance with federal timeframe requirements for emergency crisis service interventions, and sharing of customer usage data necessary for CSD to comply with federal reporting requirements.

II. DISCUSSION

Through LIHEAP, CSD has a long history of working with its LSPs to aid low-income Californians manage and meet their immediate home heating and/or cooling needs. LIHEAP offers several kinds of services to help low-income households meet their home energy needs. The main service components include:

- (1) The **Home Energy Assistance Program (HEAP)**, which provides one-time financial assistance to help offset an eligible household's energy costs (utility bill) for natural gas, electricity, wood, propane, and heating oil home energy fuels.
- (2) The **Energy Crisis Intervention Program (ECIP)** comprised of the following three emergency subcomponents:
 - a. **ECIP-Fast Track (ECIP-FT)**: Provides financial assistance to low-income households threatened with disconnection of their utility services or where disconnection of utility services has occurred. Assistance includes submission of a payment pledge from the LSP to the utility service provider to ensure utility services are restored quickly or to prevent any further action by the utility company to terminate utility service due to non-payment.
 - b. **ECIP-Wood, Propane, & Oil (ECIP-WPO)**: Provides financial assistance to low-income households at-risk of depleting their wood, propane, or heating oil source for their home. The program provides financial assistance to replenish the needed fuel supply for the home.
 - c. **ECIP-Heating & Cooling Services (ECIP-HCS)**: Provides for the emergency repair and replacement of broken, inoperable, or unsafe appliances within the home threatening the health and safety of occupants.
- (3) **LIHEAP Weatherization**, which provides free energy efficiency upgrades to low-income households to lower their monthly utility bills, while improving the health and safety of the household's occupants.

CSD's LIHEAP funding continues to increase allowing the Department and its LSPs to serve a larger percentage of low-income Californians. In 2018, CSD received \$191 million for LIHEAP with 2019 funding increased to \$204 million. However, even with increased funding, CSD is unable to serve roughly 93% of those income-eligible Californians. Since the Proposed Decision focuses on 2017 as the disconnection level cap, the following figures represent CSD's 2017 LIHEAP appropriation, funds expended under ECIP to serve low-income Californians experiencing an energy crisis, funds expended under ECIP-FT, and the total number served under ECIP-FT. LIHEAP funding in 2017 approached \$171 million and of that, CSD provided nearly \$77 million in utility assistance benefits through HEAP and ECIP.

Through ECIP-FT CSD and its partner LSPs aid low-income Californians to avoid disconnections and, in some cases, aid with reconnection through established payment agreements with IOUs. In 2017, through ECIP-FT CSD and its partner LSPs aided 71,838 low-income Californians avoid disconnection by providing over \$34 million in utility payment assistance to all of California-jurisdictional investor owned energy utilities subject to the Proposed Decision.¹ Clearly, ECIP-FT provides an effective and efficient mechanism to limit and avoid disconnections to low-income utility customers in California.

CSD wishes to stress upon the Commission the importance of having an effective, efficient system in place to address disconnections – not only for low-income customers in crisis but all IOU customers. Working with its partner IOUs, CSD continues to refine ECIP-FT to ensure the Department's LSPs are best positioned to render delivery of necessary and timely interventions to IOU low-income customers facing an energy crisis situation. Of particular importance to CSD, is the ongoing efforts to engage in data sharing between the Department and

¹ Statewide, ECIP-FT aided nearly 90,000 low-income Californians by providing over \$41 million in utility payment assistance.

IOUs. While CSD currently has data sharing agreements in place with the four major IOUs, CSD believes that ECIP-FT, as well as CSD's other LIHEAP programs, benefits tremendously through the receipt of accurate IOU customer data from its partner IOUs. In turn, CSD can provide data to its LSPs so they can more effectively serve their client base. Consistency among agreements CSD will enter into with the IOUs that accept pledges through ECIP-FT facilitates the effective and timely delivery of emergency assistance to the IOU low-income customer. These agreements must include consistent language for accepting payment pledges from LSPs, the direct payment of LIHEAP benefits from CSD, accurate data reporting from the IOUs to CSD on pledges and application dates, and extended supports to LSPs that assist the enrollment and delivery of emergency service provisions to IOU low-income customers.

Through the Commission's Proposed Decision, and throughout Phase I and II of this Rulemaking, CSD finds the Commission has the opportunity to help develop consistent disconnection and reconnection policies across all IOUs – an issue of paramount importance when addressing disconnections and reconnections as well as CSD's effective application of ECIP-FT. An example for the need of policy consistency can be found when IOUs consider a customer for disconnection. Currently, each IOU may set a different "window" by which it considers a non-paying customer delinquent and therefore subject to disconnection. Furthermore, disconnection notices and timing may vary throughout the State. Further aiding in the confusion is the situation where a customer may be served by two different IOUs who in turn have two different sets of internal policies related to disconnection (and reconnection for that matter). Customer confusion related to the disconnection and reconnection process should be minimized, which in turn would aid in CSD's efforts to support low-income Californians.

II. CONCLUSION

The Department appreciates the opportunity to provide comments on the Commission's Proposed Decision and looks forward to working with all parties concerned to address this very important and pressing need for California energy customers.

DATED: November 16, 2018

Respectfully submitted,

/s/ DAVID SCRIBNER

David Scribner
Chief Counsel
Department of Community Services and
Development
2389 Gateway Oaks Drive, Suite 100
Sacramento, CA 95833
(916) 576-4383
David.Scribner@csd.ca.gov

4829-6827-5835, v. 3